

Report to the 85th Legislature

capps

ERP in Texas



Glenn Hegar, Texas Comptroller of Public Accounts



December 2016

The Honorable Greg Abbott, Governor
The Honorable Dan Patrick, Lieutenant Governor
The Honorable Joe Straus, Speaker of the House
Members of the 85th Legislature
Members of the Legislative Budget Board

Ladies and Gentlemen:

We are pleased to present you with our latest report on ProjectONE, the Enterprise Resource Planning (ERP) project for Texas state government, in accordance with Section 2101.040 of the Texas Government Code. You can view an electronic version of this report and additional information at www.txprojectone.org.

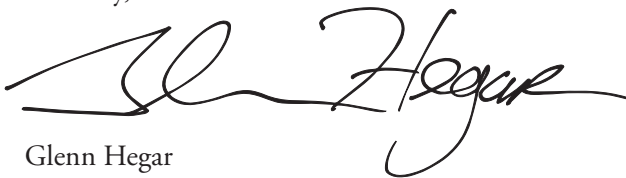
Our statewide ERP solution, the Centralized Accounting and Payroll/Personnel System (CAPPS), offers Texas government a modern, integrated statewide system to replace a variety of aging legacy systems. It provides a single, secure set of books for all state agencies as well as accurate, real-time reporting capabilities.

Since fiscal 2012, ProjectONE has deployed CAPPS to a number of state agencies, and this progress continues. At present, we anticipate that CAPPS will be used for 92 percent of all state spending and 68 percent of all full-time state employees by the beginning of fiscal 2020.

Government and taxpayers alike will benefit from the transparency, efficiency and security CAPPS provides. These benefits will grow as our family of agencies increases.

On behalf of the ProjectONE team, thank you for your efforts to support this vital initiative. Please don't hesitate to contact us should you have questions, comments or concerns.

Sincerely,



Glenn Hegar





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Executive Summary

ERP for Texas

Passed by the 80th Legislature in 2007, HB 3106 charged the Texas Comptroller of Public Accounts (CPA) with establishing clear standards for implementing Enterprise Resource Planning (ERP) in Texas. ERP consolidates aspects of a business — including the business of government — within a commonly aligned set of systems: accounting, human resources (HR), payroll, procurement, inventory and more.

With an ERP-based platform, information is entered once, then carries over to all other functions. This reduces errors and manual efforts, which increases efficiency and reduces costs.

CAPPS — a Statewide Solution

The Comptroller's ProjectONE (Our New Enterprise) team has created the ERP solution for Texas known as the Centralized Accounting and Payroll/Personnel System or CAPPS. By employing a statewide ERP-based strategy reflecting the approach requested by the 80th Legislature, state dollars are systematically leveraged to deploy a flexible, reliable, efficient and secure statewide accounting and HR/payroll system available to all agencies regardless of complexity and size.

The CAPPS family of agencies has significantly grown over the past biennium and agencies are lined up through the beginning of fiscal 2018 to deploy CAPPS. With the current plan for the next biennium, by the beginning of fiscal 2020:

- **Sixty-eight percent of state full-time employees will be administered through CAPPS.***
- **Ninety-two percent of state spending will flow through CAPPS.***

*Excludes institutions of higher education.

Accomplishments

CAPPS Deployments

- Fiscal 2012** — The Department of Information Resources (DIR) comes on board as the first CAPPS Financials agency in early fiscal 2012. In late fiscal 2012, five additional agencies joined CAPPS Financials.
- Fiscal 2013** — The five Health and Human Services (HHS) agencies and the Cancer Prevention & Research Institute of Texas (CPRIT) come on board as the first CAPPS HR/Payroll agencies.
- Fiscal 2015** — The Texas Department of Transportation (TxDOT) becomes the first large agency to be deployed on the complete CAPPS system — CAPPS Financials plus CAPPS HR/Payroll.
- Nine additional agencies deploy CAPPS — Five on CAPPS Financials plus four on CAPPS HR/Payroll.
- Fiscal 2016** — One agency deploys CAPPS Financials; 26 agencies deploy CAPPS HR/Payroll.
- Fiscal 2017** — 11 agencies deploy CAPPS Financials; 13 agencies are scheduled to deploy CAPPS HR/Payroll in July 2017.
- Fiscal 2018** — 25 agencies are on target to deploy CAPPS Financials in September 2017.

Benefits

CAPPS objectives achieved to date translate into benefits for the state and all agencies on CAPPS.

Transparency

CAPPS reporting capabilities allow for easier reporting across agencies, providing executives with a statewide view of budget and spending information at the detail level needed for managing the state's resources.

Security

CAPPS security is up-to-date and comprehensive, delivering security mechanisms that control access across all levels and functions within CAPPS. Most security control mechanisms can be implemented at any scale or level of detail to respond to specific security needs. Along with being highly configurable and customizable, CAPPS security offers auditable and reportable security-specific data.

Accessibility

CAPPS complies with Americans with Disabilities Act (ADA) requirements. Special needs users can access CAPPS using accessibility tools such as the JAWS screen reader.

The CAPPS Program Model

The CAPPS program model offers agencies **two alternatives for onboarding to CAPPS – CAPPS Central and CAPPS Hub.**

CAPPS Central

- Main systems platform of the CAPPS program.
- Centrally managed and maintained by CPA.
- PeopleSoft-based CAPPS Financials and HR/Payroll baseline applications and related components.
- CPA bears costs of transition, deployment, and ongoing maintenance and support.
- Deploying agencies cover internal costs such as staff, training and travel.

CAPPS Hub

- For large, complex agencies or agencies with established PeopleSoft-based systems.
- Not centrally managed by CPA.
- Hub agencies receive their own copy and regular updates of the CAPPS Financials and HR/Payroll baseline applications to implement, maintain and support on their own infrastructure.
- CAPPS Hub agencies bear costs of transition, deployment and ongoing maintenance and support and all other internal costs.
- TxDOT, HHS, Texas Workforce Commission (TWC) and Texas Education Agency (TEA) are CAPPS Hub agencies deployed on CAPPS Financials, CAPPS HR/Payroll or both.

CAPPS Costs Through Fiscal 2017

Cost Type	Total
System Development	\$ 47,473,224
CAPPS Deployment	76,218,486
CAPPS Maintenance	118,240,384
Grand Total	\$ 241,932,094

Method of Financing	Total
General Revenue	\$ 108,338,898
Appropriated Receipts	40,026,731
Interagency Contract Receipts	93,566,465
Grand Total	\$ 241,932,094

FTEs	51.0
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Note: The figures above reflect Comptroller expenditures for the development, deployment and maintenance of the CAPPS system since its inception in Fiscal 2010. Any internal support costs that may have been incurred by agencies to deploy the system are not included in these totals.

CAPPS Program Oversight

Bringing a statewide ERP financials and HR/payroll solution to Texas is no small task. By implementing the CAPPS program in phases, CPA and participating agencies are learning from previous deployments while improving upon those to come.

To ensure the CAPPS program is handled properly, CAPPS project phases are reviewed regularly by the state's Quality Assurance Team (QAT) that includes the State Auditor's Office (SAO), Legislative Budget Board (LBB) and DIR.

Fiscal 2018–19 Planned Deployments

With CPA's input, the LBB identified 52 agencies to deploy CAPPS in the fiscal 2018–19 biennium.

Per the LBB's Legislative Appropriations Request (LAR) instructions, internal agency costs due to deployment such as staffing, training and travel are to be included in each agency's fiscal 2018–19 LAR.*

See **Appendix B: List of Agencies Recommended to Join CAPPS** for a list of future CAPPS agencies.

*Source: [*Legislative Budget Board: 2018–19 Legislative Appropriation Request — Detailed Instructions for the Biennium Beginning September 1, 2017*](#)

Summary

The state of Texas has successfully built and is deploying CAPPs, the ERP solution for Texas. The flexibility of the CAPPs program allows any state agency to join the growing family of agencies on CAPPs regardless of complexity or size.

The Legislature can have confidence going forward that funds allocated to the CAPPs program will continue to be used efficiently and effectively to achieve a statewide, centralized and secure source for the state's financials and HR/payroll information.



Report to the 85th Legislature: CAPPS — ERP in Texas

The Centralized Accounting and Payroll/Personnel System (CAPPS) is the Enterprise Resource Planning (ERP) solution for Texas. CAPPS was designed and built by the Texas Comptroller of Public Accounts (CPA) ProjectONE (Our New Enterprise) team with the input and participation of a diverse range of state agencies. ERP consolidates aspects of a business — including the business of government — within a commonly aligned set of systems: accounting, human resources (HR), payroll, procurement, inventory and more.

With 53 agencies that have deployed either CAPPS Financials, CAPPS HR/Payroll or both through early fiscal 2017 — Texas is well on the way to a modern and secure statewide solution that addresses taxpayer transparency and the state's accounting and HR/payroll needs.

The CAPPS program offers state agencies a flexible deployment model that allows any agency to come on board with CAPPS regardless of complexity or size. A statewide CAPPS returns exceptional value to state agencies, the Legislature, oversight agencies and the general public. It provides benefits that save time, improve transparency and customer service, enhance security, and allow for economies of scale that return increased efficiency and reduced cost to the state.

Accomplishments

With CAPPs, CPA's ProjectONE team is bringing an ERP Financials and HR/Payroll solution to Texas. CAPPs delivers the functionality required by House Bill 3106, 80th Legislature, Regular Session, that addressed the concept of ERP for the state of Texas and defined the functional and organizational project scope.

CAPPs implementation is aligned with the [Agency Strategic Plan for the Period 2017–21](#) and supports the December 2008 *A Plan for the Implementation of Enterprise Resource Planning (ERP) for the State of Texas* as developed by the legislatively mandated ERP Advisory Council.

CAPPs Deployments (2011–2017)

Since the first CAPPs deployment in 2011, 53 agencies have deployed with either CAPPs Financials, CAPPs HR/Payroll or both.

CAPPs Financials

- September 2011 — **The Department of Information Resources (DIR) comes on board as the first agency to deploy CAPPs Financials.** *This initial deployment serves to create the CAPPs Financials baseline and paves the way for additional agencies to join CAPPs.*
- July 2012 — **Five agencies go live with CAPPs Financials** including the Texas Department of Insurance (TDI), Office of Injured Employee Council (OIEC), Comptroller — State Fiscal, CPA — State Energy Conservation Office (SECO) and CPA.
- September 2014 — **Four agencies go live with CAPPs Financials** including the Texas Department of Motor Vehicles (TxDMV), Railroad Commission of Texas (RRC), Public Utility Commission of Texas (PUC) and Texas Juvenile Justice Department (TJJJD).
- October 2014 — **Texas Department of Transportation (TxDOT) deploys CAPPs Financials** as the first Hub agency.
- July/September 2015 — **Two more Hub agencies go live with CAPPs Financials:** Texas Education Agency (TEA) in July and Texas Workforce Commission (TWC) in September.
- September 2016 — **11 more agencies go live with CAPPs Financials** including the District Courts — Comptroller's Judiciary Section (CPA), Office of Court Administration (OCA), Office of State Prosecuting Attorney (OSPA), the State Auditor's Office (SAO), State Office of Administrative Hearings (SOAH), Texas Alcoholic Beverage Commission (TABC), Texas Animal Health Commission (TAHC), Texas Commission on Law Enforcement (TCOLE), Texas Department of Licensing and Regulation (TDLR), Texas Military Department (TMD) and Texas Veterans Commission (TVC).

CAPPs HR/Payroll

- November 2012 — **The five Health and Human Services agencies and Cancer Prevention & Research Institute of Texas (CPRIT) go live on CAPPs HR/Payroll.** *Due to this initial effort by the ProjectONE CAPPs team and HHS, the CAPPs HR/Payroll baseline application is completed and deployed.*
- October 2014 — **TxDOT deploys CAPPs HR/Payroll** and becomes the first agency to join both CAPPs Financials and CAPPs HR/Payroll.
- May 2015 — **Four more agencies go live with CAPPs HR/Payroll:** DIR, TxDMV, OCA and OSPA.
- August 2016 — **26 more agencies go live with CAPPs HR/Payroll** including the 1st–14th Courts of Appeals (COA) Districts, Court of Criminal Appeals (CCA), Department of Public Safety (DPS), Higher Education Coordinating Board (THECB), Office of Capital and Forensic Writs (OCFW), State Commission on Judicial Conduct (SCJC), State Law Library (SLL), Supreme Court of Texas (TXCOURTS), CPA, SECO, District Courts — Comptroller's Judiciary Section, Texas State Library and Archives Commission (TSLAC) and Texas Treasury Safekeeping Trust Company (TTSTC).

Planned Deployments

In September 2016, the ProjectONE team began deployment activities with the next set of planned CAPPS agencies.

July 2017 — 13 agencies will go live with CAPPS HR/Payroll including TDI, OIEC, RRC, TEA, SOAH, TMD, TCOLE, TAHC, Texas State Board of Pharmacy (TSBP), Texas Funeral Services Commission (TFSC), Texas Department of Housing and Community Affairs (TDHCA), Texas Medical Board (TMB) and Texas State Board of Examiners of Psychologists (TSBEP).

September 2017 — 25 agencies will join the CAPPS Financials family of agencies including TXCOURTS, CCA, OCFW, 1st – 14th COA, SCJC, SLL, TSLAC, THECB, CPRIT, Health and Human Services Commission (HHSC)*, Department of Family and Protective Services (DFPS)* and Department of State Health Services (DSHS)*.

*Per SB 200, 84th Legislature, Regular Session, the Health and Human Services (HHS) agencies will transition down to three agencies. For the purposes of this report, HHS agencies are counted as five agencies prior to 2017, then as three agencies in subsequent years.

Statewide CAPPS Progress

Over the past five years, the ProjectONE team has made significant progress in the effort to deploy the CAPPS program statewide. To date, a total of 53 agencies have deployed CAPPS Financials, CAPPS HR/Payroll or both.

- 16 agencies are on CAPPS Financials.
- 29 agencies are on CAPPS HR/Payroll.
- Eight agencies have deployed the complete CAPPS system — both Financials and HR/Payroll.

The 53 agencies on CAPPS represent:

- 45 percent of state spending for agencies subject to CAPPS*
- 56 percent of state full-time equivalent (FTEs) subject to CAPPS*

*Excludes institutions of higher education.

System Improvements

The primary goal of the ProjectONE team is to deploy CAPPS to all state agencies. The secondary goal is to continuously improve the system in use today. Improvements include:

- Minor system changes.
- Major module updates.
- Implementation of new functionality.

The following key improvements were made this past biennium:

CAPPS Financials — Contract Management (SB 20)

The 84th Legislature passed Senate Bill 20 that affects the way state agencies handle the contracting process and documentation. As the statewide financials system, CAPPS was updated to capture additional contract-related information, and standardized field definitions and values.

CAPPS HR/Payroll — Recruit & Learn

During fiscal 2016 and 2017, the ProjectONE team added two new modules to the offered modules suite — CAPPS Recruit and CAPPS Learn.

The inclusion of CAPPS Recruit in July 2016 added the functionality to post job requisitions, and review and hire candidates into the CAPPS Core HR module. Additionally, the Recruit module integrates with WorkInTexas.org, the Texas Workforce Commission's jobs website. This new integration allows agencies to see candidates applying through both WorkInTexas and CAPPS Recruit. The CAPPS Learn module adds a Learning Management System (LMS) to the CAPPS suite. Through CAPPS Learn, agencies can manage course content and report on the status of course completion.

CAPPS Benefits

Greater Transparency and Accountability

- Legislative Budget Board (LBB) Contracts Database Interface — Captures new and amended contract records by implementation date and provides a statewide report and expenditure interface file of expenditures made against reportable contracts.
- HB 426 Interface to the Texas Workforce Commission (TWC) — Agencies post job openings to Work in Texas (WIT) and applicants only have to fill out one application. Agencies can accept WIT applications electronically.
- Streamlined and consistent CAPPS agency-to-agency processes provide a consistent statewide view of government.
- CAPPS reporting capabilities allow easier reporting across agencies and provide executives with a statewide view of budget and spending information at the detail level needed for managing the state's resources.

Improved Security

Enhanced Internal Controls

- CAPPS security is comprehensive, delivering security mechanisms that control access across all levels and facets of CAPPS functionality. CAPPS access allows for transparency while giving users only the permissions required to perform their jobs.
- CAPPS security is highly configurable and customizable. Most security control mechanisms can be implemented at any scale or level of detail to respond to specific security needs.

Improved Cybersecurity

- CAPPS applies industry-standard authentication solutions including Hypertext Transfer Protocol (HTTP) and Lightweight Directory Access Protocol (LDAP) integration for Single Sign-On (SSO).
- CAPPS provides auditable and reportable security-specific data. Database triggers can be enabled to provide a detailed account of changes to key security configuration data. To support effective application security administration, security configurations can be queried and reported on using delivered or custom queries and reports.

Accessibility

- CAPPS complies with Americans with Disabilities Act (ADA) requirements.
- Special needs users can access CAPPS using accessibility tools such as the JAWS screen reader.

Legacy System Modernization

- The 83rd Legislature directed DIR to study “the composition of the state’s current technology landscape and determine how best to approach and make decisions about an aging infrastructure.” DIR’s resulting October 2014 report, *Legacy System Study: Assessment and Recommendations*, contains recommendations that reflect primary benefits of the CAPPS system:
 - Leveraging economies of scale
 - Facilitating standardization and collaboration
 - Establishing a statewide application framework
- CAPPS has allowed for the retirement of statewide (ISAS) and internal agency (AccessHR) legacy systems.

Greater State Accountability

- CAPPs provides better, unified control over state finances by being a single system for entering transaction data, performing required processing steps, tracking the status of transactions and automating the flow of information between agencies.
- CAPPs ensures standardization of the payroll calculation for all state agencies as required by law.
- With CAPPs, standardized administrative functions and business processes are now the rule across agencies, resulting in more consistent recording and financial activities reporting.

Statewide Versus Siloed Strategy

- The CAPPs program uses a statewide ERP-based strategy reflecting the approach requested by the 80th Legislature in HB 3106 where dollars are systematically leveraged to deploy a flexible, statewide financial systems solution (CAPPs Central and CAPPs Hub models) available to all agencies regardless of complexity and size.
- Before CAPPs, the state was dependent on a siloed strategy where system development, implementation and maintenance costs were incurred on a by-agency basis, resulting in an effort without any agency-to-agency or statewide coordination.

Continuous Improvement of State Government Operations

- CAPPs has shared services functionality that provides multiple agencies with services such as contracts reporting that were previously decentralized. This results in better service, improved operating efficiency and reduced operating costs.
- CAPPs integrates the HR/Payroll and Financials systems by providing a central repository for employee data and historical information. This ensures consistent data across the system and allows for easier, more accurate report development.

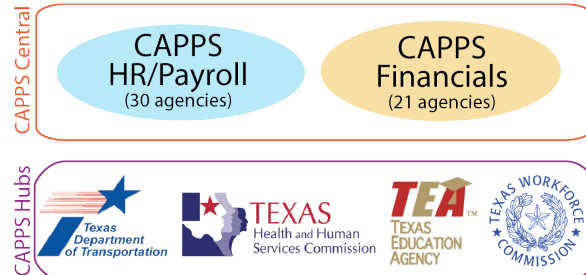
Agency-inclusive CAPPs Governance

- CAPPs Governance provides a decision framework for addressing critical program areas such as fiscal policy, change control, system audits, application lifecycle information, and architecture roles and responsibilities.
- CAPPs Governance is a collaborative process. Though CPA serves as the Application Service Provider (ASP) and centrally manages and deploys the CAPPs system, all CAPPs agencies have a seat at the table, through a representative style of Governance, when it comes to decisions affecting their CAPPs-based systems.

The CAPPS Program Model

Now and going forward, flexibility is the key driver of the CAPPS program. The CAPPS program model is based on the premise that agencies require more flexibility than a “one-size-fits-all” product for their financials and HR/payroll system needs. Each agency has unique budgetary requirements and priorities — smaller, less complex agencies typically have different system needs than larger, complex agencies. All agencies regardless of complexity and size benefit from an ERP solution that is cost-effective to deploy, operate and maintain.

The CAPPS program model offers agencies two main options for onboarding to CAPPS — **CAPPS Central** and **CAPPS Hub**.



CAPPS Central

CAPPS Central is the main systems platform of the CAPPS program. Centrally managed and maintained by CPA as the Application Service Provider (ASP), it consists of the CAPPS PeopleSoft-based Financials and HR/Payroll baseline applications and related components.

While deploying agencies must cover internal costs such as staffing, training and travel, **CPA bears the costs of transition and deployment, and ongoing maintenance and support to deploy and maintain CAPPS Central agencies.**

CAPPS Hub

CAPPS Hub agencies are the exception in the CAPPS program model and how large, complex agencies or agencies with established PeopleSoft-based systems can transition to CAPPS.

TxDOT, HHS, TEA and TWC are CAPPS Hub agencies deployed on CAPPS Financials, CAPPS HR/Payroll or both.

Rather than being centrally managed by CPA, CAPPS Hub agencies receive their own copy and regular updates of the CAPPS Financials and HR/Payroll baseline applications to implement on their own infrastructure. As such, **CAPPS Hub agencies bear the cost of transition, deployment, ongoing maintenance and support and all other internal costs.**

CAPPS Modules

Core Modules

These modules make up the core functionality of the CAPPS Financials and CAPPS HR/Payroll baseline applications. They are the main modules an agency needs to fully function as a CAPPS agency.

CAPPS Financials

- Accounts Payable
- Asset Management
- General Ledger/Commitment Control
- Purchasing/eProcurement

CAPPS HR/Payroll

- Core HR
- Payroll
- Position Management
- Time and Labor

Non-Core Modules

These modules are available for agencies requiring additional functionality.

CAPPS Financials

- Billing/Accounts Receivable
- Customer Contracts
- Grants
- Inventory
- Project Costing

CAPPS HR/Payroll

- Recruit
- Learn
- Performance Management

See [Appendix A: Benefits by Module](#) for descriptions and key benefits of each core and non-core module.

Strengths of the CAPPs Program Model

- Application modifications are made once, then made available to all CAPPs Central and Hub agencies.
- Allows CAPPs security software updates to be applied consistently across all CAPPs agencies.
- CAPPs as a PeopleSoft-based system, leverages existing PeopleSoft knowledge and expertise.
- Reduces implementation and support costs.
- Leverages statewide licensing and maintenance costs.
- Facilitates reporting and CAPPs Hub agency flexibility.
- Allows for agency-specific processing controlled by the agency.
- Enables large complex agencies to keep ERP and non-ERP data closely tied together.
- Increases functionality for agencies using Uniform Statewide Accounting System (USAS) and Uniform Statewide Payroll/Personnel System (USPS).

A Statewide CAPPs — from Ideal to Real

With the proposed fiscal 2018-19 plan, by the beginning of fiscal 2020, CAPPs will:

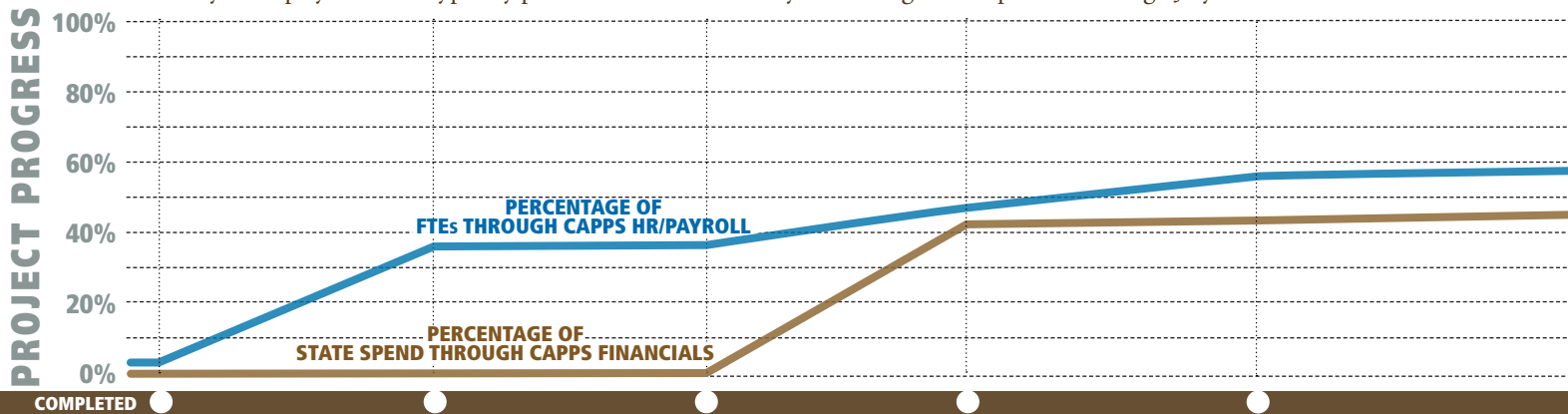
- Provide HR/payroll functions for 68 percent of all state full-time equivalent (FTEs).*
- Process 92 percent of state all-funds spending.*

Fiscal Year	Amount of State Spend Through CAPPs	Total State Spend*	% of State Spend Through CAPPs	Number of State FTEs Through CAPPs	Total State FTEs*	% of State FTEs Through CAPPs
2011	255,522,681	79,218,259,716	0%	0	155,421	0%
2012	1,050,586,596	84,133,612,796	1%	0	152,415	0%
2013	945,625,213	69,111,497,746	1%	56,879	152,208	37%
2014	1,058,801,199	92,846,236,810	1%	57,899	153,067	38%
2015	38,719,479,794	91,715,199,265	42%	71,267	153,107	47%
2016	42,231,567,536	97,452,339,662	43%	85,742	153,100	56%
2017	42,057,107,955	94,183,505,694	45%	89,081	153,324	58%
2018	81,823,770,075	94,183,505,694	87%	97,212	153,324	63%
2019	85,653,065,110	94,183,505,694	91%	103,594	153,324	68%
2020	86,486,181,325	94,183,505,694	92%			

* Excludes institutions of higher education.

Planned CAPPS Rollout (Fiscal 2012–20)

Statewide CAPPS deployment is the primary program goal going forward. Agencies are currently lined up through fiscal 2020 to join the CAPPS family of agencies. Financials deployments are typically planned on a 12 month cycle running from September to September. HR/Payroll deployments are typically planned on an 11 month cycle running from September through July.



CAPPS FINANCIALS

FY12

- ★ **Comptroller of Public Accounts**
- ★ **Comptroller — State Fiscal**
- ★ **Department of Information Resources**
- ★ **Texas Department of Insurance**
- ★ Office of Injured Employee Counsel
- ★ Comptroller — State Energy Conservation Office

FY13

FY14

FY15

- ★ **Public Utility Commission of Texas**
- ★ **Texas Education Agency**
- ★ **Texas Department of Motor Vehicles**
- ★ **Texas Department of Transportation**
- ★ **Texas Juvenile Justice Department**
- ★ Railroad Commission of Texas

FY16

- ★ **Texas Workforce Commission**

BOLD INDICATES AGENCIES WITH ANNUAL SPEND EXCEEDING \$100 MILLION.

Future Deployments

The remaining state agencies make up **8 percent** of state spending through CAPPS Financials.

- The Texas Department of Criminal Justice, Office of the Attorney General and Employees Retirement System of Texas will account for **6 percent**.
- 35 other agencies will account for the remaining **2 percent**.

CAPPS HR/PAYROLL

FY12

FY13

FY14

FY15

FY16

- ★ **Department of Aging and Disability Services**
- ★ **Department of Assistive and Rehabilitative Services**
- ★ **Department of Family and Protective Services**
- ★ **Department of State Health Services**
- ★ **Health and Human Services Commission**
- ★ Cancer Prevention and Research Institute of Texas

- ★ **Texas Department of Motor Vehicles**
- ★ **Texas Department of Transportation**
- ★ Department of Information Resources
- ★ Office of Court Administration
- ★ Office of State Prosecuting Attorney

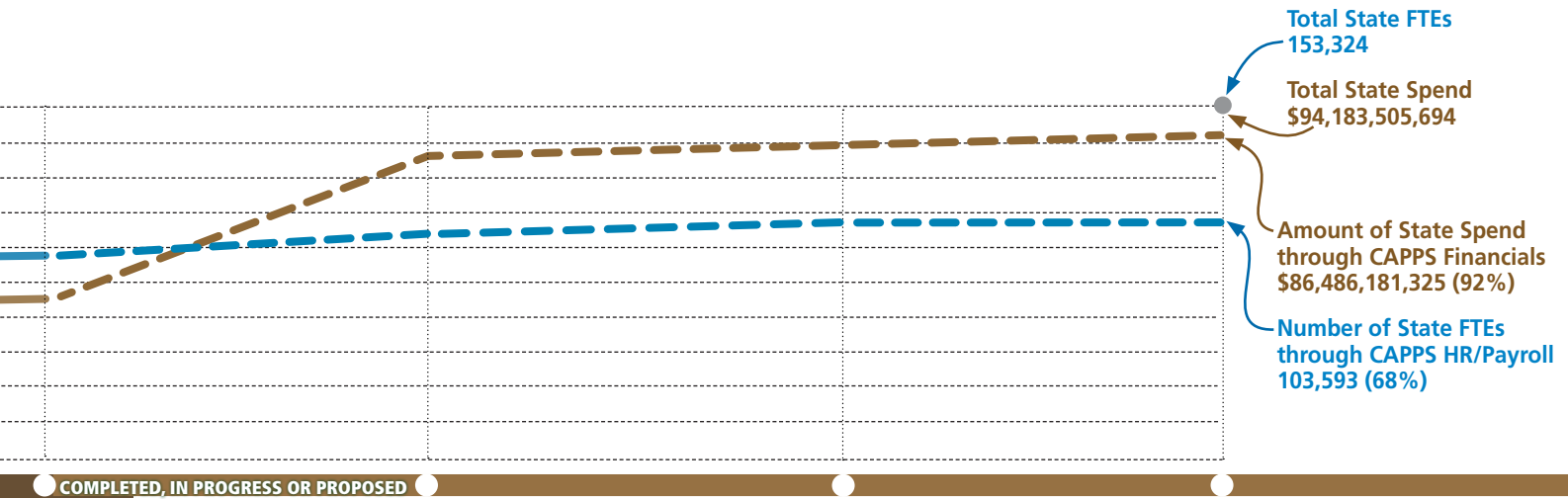
- ★ **Comptroller of Public Accounts**
- ★ **Texas Department of Public Safety**
- ★ **Texas Higher Education Coordinating Board**
- ★ 1st–14th Courts of Appeals Districts
- ★ Court of Criminal Appeals
- ★ District Courts — Comptroller's Judiciary Section
- ★ Texas State Library and Archives Commission
- ★ Office of Capital and Forensic Writs
- ★ State Commission on Judicial Conduct
- ★ Comptroller — State Energy Conservation Office
- ★ State Law Library
- ★ Supreme Court of Texas
- ★ Texas Treasury Safekeeping Trust Company

BOLD INDICATES AGENCIES WITH MORE THAN 700 FTEs.

Future Deployments

The remaining state agencies make up **32 percent** of state FTEs administered through CAPPS HR/Payroll.

- The Texas Department of Criminal Justice will account for **29 percent**.
- 26 other agencies will account for the remaining **3 percent**.



FY17	FY18	FY19	FY20
<ul style="list-style-type: none"> ★ District Courts — Comptroller's Judiciary Section ★ Texas Animal Health Commission ★ Texas Alcoholic Beverage Commission ★ Texas Department of Licensing and Regulation ★ Office of Court Administration ★ State Auditor's Office ★ State Office of Administrative Hearings ★ Office of State Prosecuting Attorney ★ Texas Commission on Law Enforcement ★ Texas Military Department ★ Texas Veterans Commission 	<ul style="list-style-type: none"> ★ Cancer Prevention and Research Institute of Texas ★ Department of Family and Protective Services* ★ Department of State Health Services* ★ Health and Human Services Commission* ★ Texas Higher Education Coordinating Board ★ Court of Criminal Appeals ★ 1st–14th Courts of Appeals Districts ★ Texas State Library and Archives Commission ★ Office of Capital and Forensic Writs ★ State Commission on Judicial Conduct ★ State Law Library ★ Supreme Court of Texas <p><i>*Per SB 200, 84th Legislature, the Health and Human Services agencies will transition down to three agencies. These agencies are counted as five agencies prior to 2017 and three agencies in later years.</i></p>	<ul style="list-style-type: none"> ★ Teacher Retirement System ★ Texas Department of Housing and Community Affairs ★ Texas Department of Public Safety ★ Texas Board of Nursing ★ Texas Historical Commission ★ State Preservation Board ★ Texas Racing Commission ★ Texas School for the Deaf ★ Texas State Board of Pharmacy ★ State Soil and Water Conservation Board 	<ul style="list-style-type: none"> ★ Department of Agriculture ★ Texas Water Development Board ★ Commission on State Emergency Communications ★ Health Professions Council ★ Office of Public Insurance Counsel ★ State Board of Veterinary Medical Examiners ★ Texas Bond Review Board ★ Commission on Jail Standards ★ Texas Commission on Fire Protection ★ Emergency Services Retirement System ★ Texas Ethics Commission ★ Texas Medical Board ★ Office of Public Utility Counsel ★ Texas Public Finance Authority ★ State Board of Dental Examiners ★ Texas State Board of Plumbing Examiners ★ State Securities Board ★ Texas State University System

Note: Some fiscal 2017–20 agency deployments are forecasted.

FY17	FY18	FY19	FY20
<ul style="list-style-type: none"> ★ Railroad Commission of Texas ★ Texas Department of Insurance ★ Texas Education Agency ★ Animal Health Commission ★ Texas Board of Examiners of Psychologists ★ Texas State Board of Pharmacy ★ Texas Commission on Law Enforcement ★ Texas Department of Housing and Community Affairs ★ Texas Funeral Service Commission ★ Office of Injured Employee Counsel ★ State Office of Administrative Hearings ★ Texas Medical Board ★ Texas Military Department 	<ul style="list-style-type: none"> ★ Texas Juvenile Justice Department ★ Texas Parks and Wildlife Department ★ Texas Board of Chiropractic Examiners ★ Texas Bond Review Board ★ Credit Union Department ★ Texas Legislative Council ★ Legislative Reference Library ★ Governor — Executive ★ Secretary of State ★ Texas Board of Architectural Examiners ★ Texas Board of Professional Engineers ★ Texas Emergency Services Retirement System ★ Texas State University System ★ Governor — Fiscal ★ Texas Veterans Commission 	<ul style="list-style-type: none"> ★ Office of the Attorney General ★ Texas Alcoholic Beverage Commission ★ Texas Commission on the Arts ★ Texas State Board of Podiatric Medical Examiners ★ Texas Board of Professional Land Surveying ★ Texas Department of Licensing and Regulation ★ Executive Council of Physical and Occupational Therapy Examiners ★ State Pension Review Board ★ Public Utility Commission of Texas ★ Texas School for the Blind and Visually Impaired ★ Texas School for the Deaf ★ Texas State Board of Public Accountancy ★ State Office of Risk Management ★ Teacher Retirement System of Texas 	<p>To Be Determined...</p>

COMPLETED, IN PROGRESS OR PROPOSED

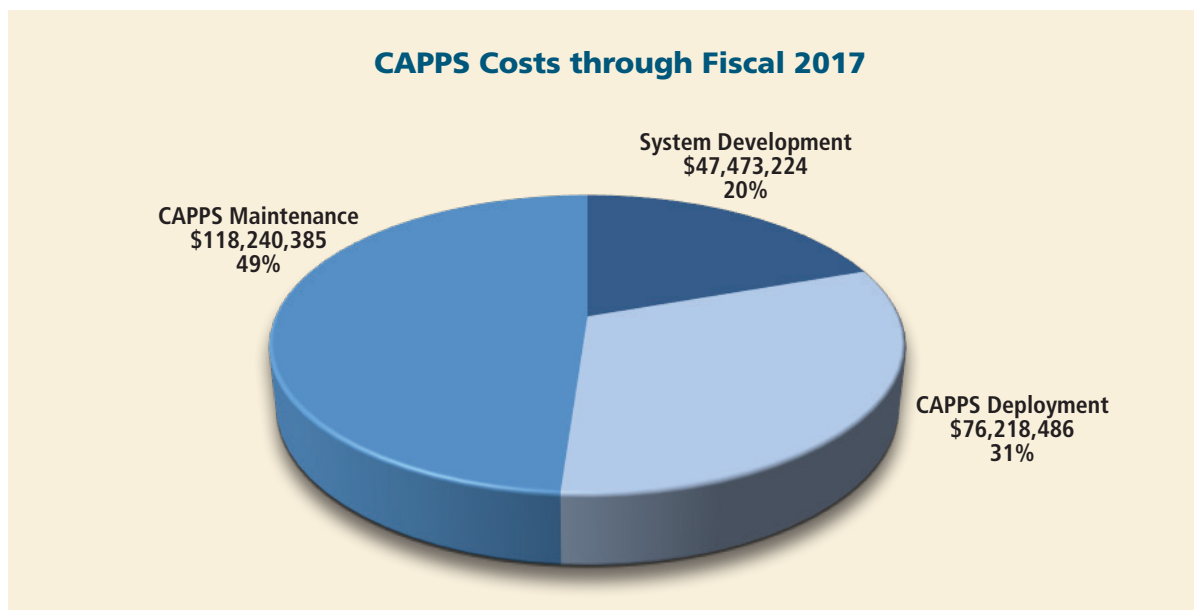
CAPPS Costs Through Fiscal 2017

Type of Cost	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013
System Development	\$ 19,433,726	\$ 15,516,243	\$ 3,411,742	\$ 6,040,054
CAPPS Deployment	0	0	1,473,515	1,651,079
CAPPS Maintenance	2,183,915	2,290,876	9,459,601	13,803,084
Total Agency Project	\$ 21,617,641	\$ 17,807,119	\$ 14,344,858	\$ 21,494,217

Method of Financing	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013
General Revenue	\$ 2,406,841	\$ 1,901,871	\$ 2,395,651	\$ 6,639,717
Appropriated Receipts	0	0	0	75,890
Interagency Contract Receipts	19,210,800	15,905,248	11,949,207	14,778,610
Total Agency Project	\$ 21,617,641	\$ 17,807,119	\$ 14,344,858	\$ 21,494,217

FTEs	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013
Accumulative (per fiscal year)	17.1	19.2	24.6	25.1

Note: The figures above reflect Comptroller expenditures for the development, deployment and maintenance of the CAPPS system since its inception in 2010. Any internal support costs that may have been incurred by agencies to deploy the system are not included in these totals.

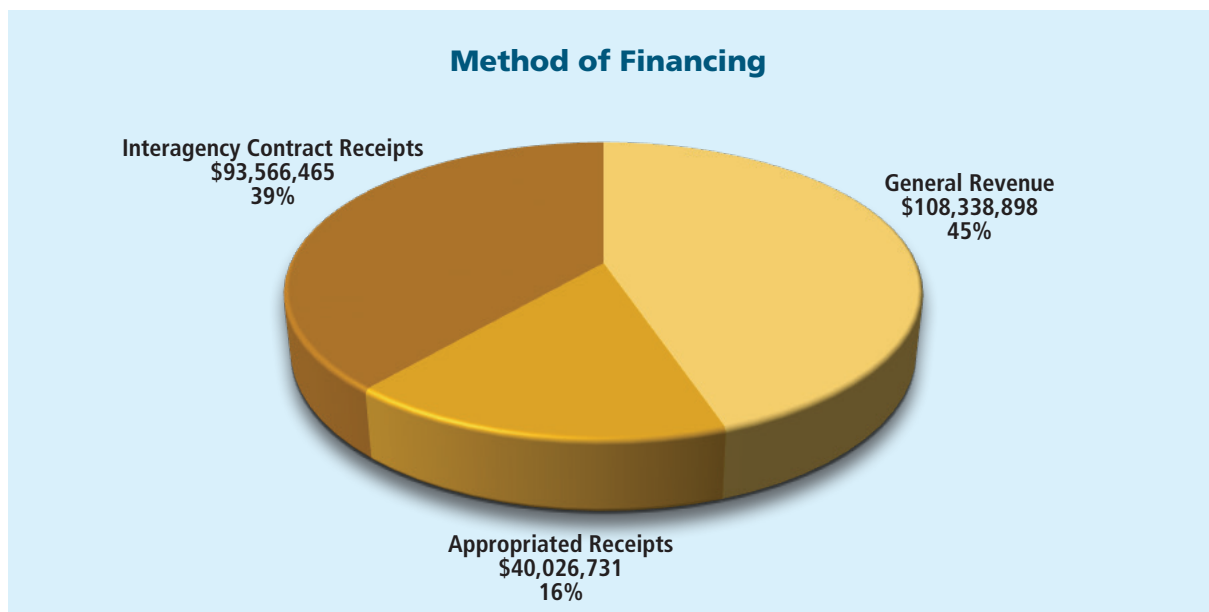


Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Grand Total
\$ 2,131,859	\$ 939,600	\$ 0	\$ 0	\$ 47,473,224
4,788,810	4,796,289	34,653,023	28,855,770	76,218,486
21,066,739	30,736,206	21,169,788	17,530,175	118,240,384
\$ 27,987,408	\$ 36,472,095	\$ 55,822,811	\$ 46,385,945	\$ 241,932,094

Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Grand Total
\$ 12,294,298	\$ 13,888,058	\$ 36,507,446	\$ 32,305,016	\$ 108,338,898
3,331,526	12,407,839	12,211,476	12,000,000	40,026,731
12,361,584	10,176,198	7,103,889	2,080,929	93,566,465
\$ 27,987,408	\$ 36,472,095	\$ 55,822,811	\$ 46,385,945	\$ 241,932,094

Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Grand Total
29.5	30.4	49.5	51.0	51.0

Note: Fiscal Years 2015–2017 are open budget years as of August 2016.



CAPPS Program Oversight

Since the CAPPS program began in November 2009, the ProjectONE/CAPPS effort has undergone regular reviews. Each wave of deploying new agencies on CAPPS Central is handled as a separate project. All projects undergo oversight by the state's Quality Assurance Team (QAT) that includes the SAO, LBB and DIR. The QAT requires regular updates on project status and a final report when a project completes.

This approach provides the opportunity to:

- Manage the large, complex, multi-year CAPPS ERP effort as a series of smaller, focused projects with clear, definable goals subject to oversight.
- Make process and project improvements. With each project, areas for improvement are identified that enhance the overall effort to produce a refined and effective CAPPS deployment plan.

Summary

Enterprise Resource Planning (ERP) consolidates aspects of a business, including the business of government, within a commonly aligned set of systems: accounting, human resources, payroll, inventory and more. With an ERP-based platform, information is entered once and carries over to all other functions. This increases efficiency while reducing errors, manual efforts and costs.

The state of Texas is successfully deploying an ERP solution using a combination of the CAPPs Central and CAPPs Hub implementation models. Flexibility of the CAPPs program makes it possible for any Texas state agency to deploy CAPPs. This choice leverages economies of scale that realistically translate into long-term benefits for Texas.

State funds allocated to the ongoing CAPPs statewide deployment effort will continue to be used to achieve a centralized, secure source for the state's financials and HR/payroll information.

Appendix A: Benefits by Module

CAPPS Financials — Core Modules (4)

Accounts Payable

Maintains transaction and vendor data while invoices are paid in a centralized system, including matching (verification) with purchase orders and receiving. Integrates with the current statewide vendor and accounting systems.

Benefits:

- Ensures through automated reconciliation that agencies only pay for goods and services that were ordered and received.
- Provides a rigorous audit trail for vendor and voucher information.
- Provides a single, centralized source for transaction data.

Asset Management

Provides a fully integrated asset information system, including integration with the Requisitions, Purchasing, Receipts and Accounts Payable modules.

Benefits:

- Reduces redundant data entry and simplifies asset maintenance and reconciliation.
- Adheres to Generally Accepted Accounting Principles (GAAP), Governmental Accounting Standards Board (GASB) rules and statutory reporting.
- Allows agencies to track non-financial asset information like physical movement, location and custodians.

General Ledger/Commitment Control

Provides efficient and flexible processing of financial data with real-time controls to ensure data accurately meets agency reporting requirements.

Benefits:

- Enables flexible reporting to meet federal, state and agency-specific requirements.
- Provides real-time check of transactions against appropriation, organization, project budgets and management of encumbrances and pre-encumbrances.
- Enables efficient processing of general ledger data through various delivered data entry functions and features.
- Allows for comprehensive budget inquiry with drill-down-to-source-transactions capabilities.

Purchasing/eProcurement

Improves processing efficiency for the purchase of goods and services (including requisitions) with electronic approvals, contracts, purchase orders and receipts. Ensures statewide policy compliance through data validation and integration of documents within the procurement lifecycle.

Benefits:

- Provides a centralized source of transaction processing.
- Enhances traceability and visibility for the entire transaction lifecycle.
- Enables integration with the Accounts Payable, Asset Management, Commitment Control/General Ledger modules.
- Facilitates internal agency and statewide reporting such as Historically Underutilized Business (HUB) data for oversight entities.
- Integrates with the LBB Contracts Database. Identifies LBB-reportable contract records and submits the required data daily to the LBB.

CAPPS Financials — Non-Core Modules (5)

Billing/Accounts Receivable

Manages the billing process in a single, stand-alone system that integrates with other CAPPS modules including Grants, Project Costing and Customer Contracts.

Benefits:

- Accelerates bill creation through automated and online bill entry.
- Leverages receivables functionality to increase efficiency of collections.
- Focuses efforts on data analysis rather than data collection and produces a diversity of delivered reports.
- Delivers timely information to customers through automated invoice, statement and dunning letter generation.

Customer Contracts

Manages revenue-generating contracts and creates billing actions. Revenue recognition may be managed by Customer Contracts or General Ledger, depending on agency need. Requires integration with Billing, Accounts Receivable and Project Costing for rate-based contract activities based on cost collection.

Benefits:

- Tracks all contractual revenue.
- Tracks all contractual agreement revenue and grant awards (if utilized with Grants).
- Tracks milestones according to costs (rate-based cost items are collected by the Project Costing module).
- Fully tracks revenue billed and received through the Billing and Accounts Receivable modules.

Grants

Efficiently and effectively tracks grant activities from a Grantee perspective (applying for grants) through proposal, receipt, milestone-tracking and disbursement. Requires integration with Customer Contracts, Billing, Accounts Receivable and Project Costing.

Benefits:

- Enables complete proposal tracking and seamless generation of awards in a single source.
- Automatically interfaces to grants.gov and automates sub-recipient identification and Catalog of Federal Domestic Assistance (CFDA) tracking.
- Maintains sub-recipient expenditure contracts in the Purchasing (Procurement Contract) module.

Inventory

Streamlines inventory processing from receipt to issue in a centralized and integrated system.

Benefits:

- Provides flexible reporting and analysis tools for managing and tracking inventory.
- Features automated inventory replenishment triggers and integration with purchasing.
- Uses express and multi-step order fulfillment processing.

Project Costing

Manages cost collection process with a single end-to-end system; integrated with Accounts Payable, Billing, Customer Contracts, General Ledger and Grants.

Benefits:

- Enables powerful project analysis and reporting through streamlined asset capitalization and robust billing capability.
- Allows costs collection against a project in a shared repository for an integrated solution.

CAPPS HR/Payroll — Core Modules (4)

Core Human Resources (HR)

Increases effectiveness of agency workforce-related business processes by streamlining administrative tasks from onboarding to compensating employees.

Benefits:

- Web-enabled:
 - Core — accessed by select agency users for non-self-service functionality
 - Portal — central point of entry for self-service users
 - Worklist — displays items for managers' attention
- Develops a central repository for employee data and historical records to ensure consistent data across all CAPPS modules.
- Allows for statewide statutory edits.

Payroll

Provides agencies with a data-driven approach to defining and managing diverse payroll requirements for unique agency business policies, in full compliance with state of Texas statutes and policies.

Benefits:

- Standardizes payroll calculations for earnings, deductions and taxes to ensure all employees are paid timely and accurately.
- Uses data stored in and created by the Core HR and Time and Labor modules to automatically build pay sheets and accurately calculate employee payments that comply with statutory and CPA payroll policy requirements.
- Employees can access pay stubs and W2s through Employee Self Service functionality.

Position Management

Manages appropriation budget allocations for approved agency positions.

Benefits:

- Allows appropriation budget allocations to be efficiently managed for approved agency positions.
- Facilitates tracking of filled versus vacant positions.

Time and Labor

Provides agencies with a time management application that efficiently automates time and attendance recordkeeping for the entire workforce.

Benefits:

- Accesses and manages employee time worked, leave balances and transfers in a single module while providing a rigorous audit trail.
- Exception time reporting (reporting only when leave is used) minimizes employee time spent entering their timesheet.
- Through Manager Self Service, managers can approve employee time and run reports on leave used.

CAPPS HR/Payroll — Non-Core Modules (3)

Recruit

Gives job applicants the ability to search and apply for job postings online. Applicants can attend to various aspects of the online recruiting process — completing screening questions; viewing interview schedules and accepting job offers.

Benefits:

- Allows for online management of job requisitions and candidates.
- Allows applicants to apply for jobs and manage their applications online.
- Integrates with Core HR.

Learn

Gives agencies the capability to manage course content and report on the status of course completion.

Benefits:

- Provides learning objectives that let employees learn quickly and effectively.
- Provides notifications when specific training is due.
- Maintains class statistics to allow for detailed reporting.
- Allows agencies to track and report required training.

Performance Management

Gives agencies the capability to roll out performance management plans to their entire workforce and measure employee performance based on key indicators.

Benefits:

- Allows for creation, evaluation and approval of performance documents.
- Allows for the creating, sharing, aligning, collaboration and evaluation of goals.
- Allows supervisors to track team goals.

Appendix B:

List of Agencies Recommended to Join CAPPs

The LBB, in its [*2018-19 Legislative Appropriation Request: Detailed Instructions for the Biennium Beginning September 1, 2017*](#), instructed the following agencies to coordinate with the Comptroller of Public Accounts (CPA) to determine deployment and support costs to transition to CAPPs.

Though CPA bears transition, deployment, support and maintenance costs for agencies coming on as CAPPs Central agencies, the LBB specifies that agencies must determine and include in their 2018-19 legislative appropriation requests (LARs) “both capital expenses and noncapital informational expenses, such as internal staff costs” for internal needs that arise from the CAPPs deployment. Agencies considering coming on board CAPPs as Hub agencies were asked by the LBB to “identify those requests, including ongoing maintenance and support” in their Capital Budget submissions.

The following are deployment project schedules by tower for fiscal 2018 and fiscal 2019. This schedule is subject to CPA final approval and legislative funding.

Fiscal 2018 Project for CAPPs HR/Payroll

Project begins Sept. 1, 2017; Deployment scheduled July 2018.

Agy #	Agency Name
103	Texas Legislative Council
105	Legislative Reference Library
300	Governor — Fiscal
301	Governor — Executive
307	Secretary of State
326	Texas Emergency Services Retirement System
352	Texas Bond Review Board
403	Texas Veterans Commission *
459	Texas Board of Architectural Examiners
460	Texas Board of Professional Engineers
469	Credit Union Department
508	Texas Board of Chiropractic Examiners
644	Texas Juvenile Justice Department
758	Texas State University System
802	Texas Parks and Wildlife Department

Fiscal 2018 Project for CAPPs Financials

Project begins Sept. 1, 2017; Deployment scheduled September 2018.

Agy #	Agency Name
323	Teacher Retirement System of Texas
332	Texas Department of Housing and Community Affairs
405	Texas Department of Public Safety
476	Texas Racing Commission
507	Texas Board of Nursing
515	Texas State Board of Pharmacy
592	State Soil and Water Conservation Board
772	Texas School for the Deaf
808	Texas Historical Commission
809	State Preservation Board

* *Texas Education Agency* was moved to the Fiscal 2017 Project for CAPPs HR/Payroll allowing *Texas Veterans Commission* to join the Fiscal 2018 Project.

Fiscal 2019 Project for CAPPs HR/Payroll

Project begins Sept. 1, 2018; Deployment scheduled July 2019.

Agy #	Agency Name
302	Office of the Attorney General
323	Teacher Retirement System of Texas
338	State Pension Review Board
452	Texas Department of Licensing and Regulation
457	Texas State Board of Public Accountancy
458	Texas Alcoholic Beverage Commission
464	Texas Board of Professional Land Surveying
473	Public Utility Commission of Texas
479	State Office of Risk Management
512	Texas State Board of Podiatric Medical Examiners
533	Executive Council of Physical and Occupational Therapy Examiners
771	Texas School for the Blind and Visually Impaired
772	Texas School for the Deaf
813	Texas Commission on the Arts

Fiscal 2019 Project for CAPPs Financials

Project begins Sept. 1, 2018; Deployment scheduled September 2019.

Agy #	Agency Name
312	State Securities Board
326	Texas Emergency Services Retirement System
347	Texas Public Finance Authority
352	Texas Bond Review Board
356	Texas Ethics Commission
359	Office of Public Insurance Counsel
364	Health Professions Council
409	Commission on Jail Standards
411	Texas Commission on Fire Protection
456	Texas State Board of Plumbing Examiners
475	Office of Public Utility Counsel
477	Commission on State Emergency Communications
503	Texas Medical Board
504	State Board of Dental Examiners
551	Department of Agriculture
578	State Board of Veterinary Medical Examiners
580	Texas Water Development Board
758	Texas State University System



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